



Agenda Item Number: 2005-9-7A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: September 13, 2005

Department: County Manager **Staff Contact:** Thaddeus Lucero, County Manager
John Dantis, Deputy County Manager for
Public Safety
Dan Mayfield, Deputy County Manager -
Finance

TITLE: Notice of intent to implement 1/8% Correctional Facility Gross Receipts Tax in accordance with Laws of 2004, Chapter 110.

ACTION: Motion to approve publication of the Notice of Intent to adopt ordinance to implement 1/8% Correctional Facility Gross Receipts Tax Countywide.

SUMMARY:

On April 18, 2005, Mayor Martin Chavez cancelled the Joint Powers Agreement (JPA) with the County for operation of the Metropolitan Detention Center (MDC). Bernalillo County must begin planning for the possibility of operating the MDC without financial assistance from the City of Albuquerque commencing July 2006. In order to accomplish this, the County must have an additional \$30,500,000 in revenue available in FY'06-07. County management proposes utilizing the following sources to obtain the necessary revenue:

1. 1/8% GRT Countywide, including City of Albuquerque residents to yield \$18 million.
2. Continuation of 0.95 mills of property tax to yield \$10 million per year.
3. Developing a system for billing the City of Albuquerque and other municipalities within Bernalillo County for the cost of inmate incarceration per existing State statute.

The process of enacting the Correctional Facility Gross Receipts Tax (GRT) ordinance must begin in September 2005 to take effect July 1, 2006. The first step in the Correctional Facility GRT enactment process is to publish the Notice of Intent to adopt the ordinance two weeks before consideration for adoption of the Ordinance on October 11, 2005. If a new agreement is successfully negotiated with the City of Albuquerque the Ordinance can be repealed.

ATTACHMENTS:

1. Notice of Intent
2. Draft Ordinance
3. County Correctional Facility GRT Adopting a Tax Increment document

FISCAL IMPACT

If the Ordinance is enacted the increase in revenue (approx. \$18 million) will be used for the operation and maintenance of MDC.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

Mayor Chavez has cancelled the previous JPA that provided for a 50% cost sharing arrangement between the City of Albuquerque and Bernalillo County. If a new agreement is not reached prior to July 1, 2006, all operating and debt services costs associated with the MDC will be borne by Bernalillo County. The additional \$30.5 million would be made up by increasing GRT 1/8 cent and the mill levy by 0.95 mills.

We should expect the City of Albuquerque to reduce its taxes in the same proportions if direct funding of MDC is not provided to Bernalillo County. TL 9/1/05

LEGAL

Senate Bill 88, which is Chapter 110 of the Laws of 2004, amended certain provisions of the County Local Option Gross Receipts Taxes Act which includes authorizing the County Correctional Gross Receipts Tax for all counties.

The Ordinance presented elects to use the procedure, which requires a petition requesting an election, signed by at least five percent of the registered voters, to be filed with the County Clerk within sixty days of adoption of the Ordinances. If no petition is filed, the new tax becomes effective July 1, 2006. If a petition is filed, the new tax becomes effective, after approval at the election, on January 1 or July 1, whichever is earlier, three months following the election.
JL 9/1/05

DEPUTY COUNTY MANAGER FOR PUBLIC SAFETY DIVISION

The Bernalillo County Commission has aggressively established Public Safety as a priority for their constituents in the unincorporated area. This also holds true to those activities that benefit residents within the City of Albuquerque, e.g. Metropolitan Detention Center, Juvenile Detention Center, Fire and Emergency Services, unified Law Enforcement/Fire Computer Aided Dispatch System, 800MHZ Law Enforcement/Fire Radio System, etc.

Public Safety costs for more than ten years have been at or exceeded 50% of the annual County general fund budget. And, the demand continues to exceed available resources.

The Commission is to be commended, under extremely austere times, for their continued support for Public Safety program. To ensure and sustain Public Safety services are maintained within Bernalillo County, there is a need to establish a strong fiscal plan for these activities.

Jail costs have increased at a rate of 10% each year and with the addition of the 126-bed Psychiatric Unit, costs will continue to increase. Further, jail expansion discussions are currently taking place and unless significant "System Efficiencies" are implemented, jail bed, growth, and costs are eminent. The Sheriff continues to provide excellent law enforcement services and must be able to maintain their fleet (we have seen in other jurisdictions the problems that are created when it is not), radio and mobile computing systems and other equipment. The Bernalillo County Fire & Rescue Department has a critical need to increase its staffing to better response to

fire and medical emergencies. In a recent study, the ESECG, one of the critical findings was the lack of staff. The department has performed well with less than half of what is needed in terms of staffing, and this needs to change. A very ambitious staffing plan has been introduced and additional funds are needed to take it to the next level. These additional firefighters, together with improved equipment and increased availability of water sources will move us towards lower Insurance Service Organization (ISO) ratings, which in turn will result in lower property insurance rates.

Transitioning to wireless communications, global positioning and Enhanced 911 systems also require needed resources to improve interoperability, between Law Enforcement, Fire Service and support groups like Public Works, etc. in the event of a major disaster.

Without the efforts being made by the Juvenile Detention Center regarding Detention Reform, the Public Safety costs would even be greater. Continued support for Juvenile Detention Reform is absolutely critical.

Bernalillo County has done an excellent job and continues to make every effort to access all available Federal and State funds, and grants, to minimize the fiscal impact to general fund. The needs of the Bernalillo County Public Safety Division are greater than this plan can provide, however, it will provide critical resources to ensure maintenance of effort.

These and now taking on the sole responsibility of operating the Metropolitan Detention Center make it necessary to seek additional resources to ensure compliance with all “conditions of confinement” as provided for in the United States Constitution. I recommend approval of this item. J Dantis 8/24/05